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C39MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA  
March 1971

Volume 15

Number 8

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MARKET SUMMARY - MARCH 1971PROCUREMENT SECTION  
CURRENT SERIAL RECORDS

The Chattanooga Order MINIMUM uniform producer prices per cwt. at pool plants for milk testing 3.5% butterfat are: Base Milk - \$6.32 and Excess Milk - \$4.81. The producer butterfat differential is 8.2 cents for each one-tenth of one percent above or below 3.5% test. This is a Base and Excess price increase of 2 cents and 23 cents respectively above March 1970.

In March 1971, 67.1% of the producer milk received by pool plants was priced in Class I at \$6.98 per cwt. and 32.9% was priced in Class II at \$4.81 per cwt. The March butterfat differential for Class I was 8.4 cents and Class II was 8.0 cents.

Total producer milk received during March 1971 was 32,724,090 pounds which is a decrease of 161,132 pounds or 0.5% compared with March 1970. Deliveries of producer Base milk exceeded producer milk used in Class I by 8,443,924 pounds or percentagewise only 72.2% of Base milk was used in Class I. The March daily average deliveries from 693 producers was 1,523 pounds. This compares to 745 farms delivering a daily average of 1,424 pounds per day during March 1970.

SUPPORT PRICE FOR MANUFACTURING MILK INCREASED

Secretary of Agriculture Clifford M. Hardin announced March 25 an upward adjustment of the support price for manufacturing milk to \$4.93 from the \$4.66 support price announced by him on March 12 which was a continuance at that time of support at the same level as for 1970.

In announcing the new higher support level, Secretary Hardin stated such announcements are minimums which cannot be lowered during that marketing season after once being announced, but which can be raised. Support levels can be lowered only at the beginning of the milk marketing year each April 1st.

The new support price for milk and the new product purchase prices become effective April 1, 1971. The product purchase prices are those which are calculated to enable processors to pay producers, on the average, the support price of \$4.93 per hundred-weight for milk. The new per pound product purchase price are U. S. Grade A butter 68.75 cents (down 2 cents), U. S. Grade A cheddar cheese 54.75 cents (up 2.75 cents) and U. S. Extra Grade spray nonfat dry milk 31.7 cents (up 4.5 cents).

## COMPARISON OF MILK RECEIPTS AND UTILIZATION

|                                             | % Mar. '71<br>Over<br>Mar. '70 | Mar.<br>1971 | Feb.<br>1971 | Mar.<br>1970 |
|---------------------------------------------|--------------------------------|--------------|--------------|--------------|
| Number of Plants - Pool                     |                                | 6            | 6            | 6            |
| - Non-Pool                                  |                                | 13           | 13           | 15           |
| <u>RECEIPTS POUNDS (DAILY AVERAGE)</u>      |                                |              |              |              |
| Producer Milk                               | - 0.5                          | 1,055,616    | 1,021,456    | 1,060,814    |
| Other Source                                | - 1.3                          | 28,751       | 29,541       | 29,136       |
| Other Federal Orders                        | -72.3                          | 85,207       | 79,137       | 307,679      |
| TOTAL MILK RECEIPTS                         | -16.3                          | 1,169,574    | 1,130,134    | 1,397,629    |
| <u>UTILIZATION POUNDS (DAILY AVERAGE)</u>   |                                |              |              |              |
| <u>Class I Uses</u>                         |                                |              |              |              |
| Homo Milk                                   | + 6.7                          | 425,605      | 432,000      | 398,792      |
| Skim - Regular                              | + 6.4                          | 21,460       | 21,387       | 20,168       |
| Skim - 2% Milk                              | +23.8                          | 117,556      | 117,383      | 94,959       |
| Buttermilk                                  | + 6.5                          | 52,273       | 52,828       | 49,088       |
| Flavored Milk & Drink                       | - 6.0                          | 15,879       | 15,666       | 16,894       |
| Creams (Sweet and Sour)                     | + 2.8                          | 3,198        | 3,128        | 3,110        |
| Sub-Total - Pkg. Products (Pool Plants)     | + 9.1                          | 635,971      | 642,392      | 583,011      |
| Other (Shrinkage, Inventory, etc.)          |                                | 3,352        | 1,348        | 3,819        |
| Sales to Non-Pool Plants                    |                                | 82,877       | 140,314      | 186,983      |
| In-Area Sales by Non-Pool Plants            | - 2.6                          | 48,992       | 49,619       | 50,306       |
| TOTAL CLASS I MILK                          | - 6.4                          | 771,192      | 833,673      | 824,119      |
| <u>Class II Uses - Pool Plants</u>          |                                |              |              |              |
| Ice Cream Mixes                             | +12.0                          | 56,497       | 49,256       | 50,443       |
| Cottage Cheese                              | +19.2                          | 51,192       | 44,925       | 42,951       |
| Powdered and Condensed Milk                 |                                | -0-          | -0-          | 16,128       |
| Livestock Feed and Milk Dumped              |                                | 7,255        | 8,524        | 7,451        |
| Sub-Total - Used to Produce                 | - 1.7                          | 114,944      | 102,705      | 116,973      |
| Shrinkage Class II                          |                                | 16,308       | 12,461       | 14,255       |
| Other (Inventory Variation, etc.)           |                                | (7,660)      | 10,655       | 5,806        |
| Bulk Sales to Non-Pool Plants               |                                | 274,790      | 170,640      | 436,476      |
| TOTAL CLASS II MILK                         | -30.5                          | 398,382      | 296,461      | 573,510      |
| Class I Pkg. Lbs. In Area - Pool Plants     | + 7.3                          | 486,851      | 492,314      | 453,750      |
| Class I Pkg. Lbs. Out of Area - Pool Plants | +15.4                          | 149,120      | 150,078      | 129,261      |
| Class I Pkg. Lbs. In Area - Non-Pool Plants | - 2.6                          | 48,992       | 49,619       | 50,306       |

## CLASS I PACKAGED ITEMS-POOL PLANTS

MARCH 1971

|            | Butterfat<br>Av. Test | Total<br>Pounds | % of<br>Total |
|------------|-----------------------|-----------------|---------------|
| Homo       | 3.80%                 | 13,193,760      | 66.84%        |
| 2% Milk    | 2.00                  | 3,644,251       | 18.46         |
| Buttermilk | .47                   | 1,620,468       | 8.21          |
| Skim       | .54                   | 665,262         | 3.37          |
| Flavored   | 2.13                  | 492,258         | 2.49          |
| ½ & ½ Mix  | 11.53                 | 49,580          | .25           |
| Whip Cream | 36.00                 | 13,343          | .07           |
| Sour Cream | 19.32                 | 26,145          | .13           |
| Dip Cream  | 19.18                 | 10,062          | .05           |
| Yogurt     | 1.58                  | 22,844          | .13           |
| Total      | 3.11%                 | 19,737,973      | 100.00%       |

5 Largest Volumn Items by  
Size Containers - Pool  
Plants - March 1971

| Container | Pounds     | %       |
|-----------|------------|---------|
| Gallon    | 10,874,556 | 55.44   |
| ½ Gal.    | 5,001,464  | 25.50   |
| Quarts    | 880,874    | 4.49    |
| Pints     | 843,855    | 4.30    |
| 10 Oz.    | 143,972    | .73     |
| ½ Pints   | 1,871,278  | 9.54    |
| Total     | 19,615,999 | 100.00% |



COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES  
AND WEIGHTED AVERAGE PRICE

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| March 1971                              | Class % | Milk Pounds | Butterfat Test - % | Cwt. Price @ Test | Gross Value    |
|-----------------------------------------|---------|-------------|--------------------|-------------------|----------------|
| Gross Class I                           |         | 23,906,959  | 3.224              |                   |                |
| Less Other Source                       |         | 1,952,811   | 2.731              |                   |                |
| Producer Milk Class I                   | 67.1    | 21,954,148  | 3.267934           | \$6.785065        | \$1,489,603.21 |
| Gross Class II                          |         | 12,349,829  | 5.015              |                   |                |
| Less Other Source                       |         | 1,579,887   | 2.880              |                   |                |
| Producer Milk Class II                  | 32.9    | 10,769,942  | 5.327791           | 6.272233          | 675,515.86     |
| TOTAL PRODUCER MILK (Cl. I+Cl. II)      | 100.0   | 32,724,090  | 3.945861           |                   | \$2,165,119.07 |
| Less Fractional Adjustment              |         |             |                    |                   | .13            |
| Add Value of Other Source Receipts      |         |             |                    |                   |                |
| Allocated to Class I and Location Adj.  |         | 3,388       | 0.00               |                   | 136.88         |
| Add ½ Producer-Settlement Fund Reserve  |         |             |                    |                   | 0.00           |
| TOTAL VALUE AT TEST                     |         | 32,727,478  | 3.945452           | \$6.616018        | \$2,165,255.82 |
| Less Test over 3.5% @ 8.2¢ per point    |         | 32,727,478  | 0.445452           | 0.365271          | 119,543.99     |
| TOTAL UTILIZATION VALUE AT 3.5%         |         | 32,727,478  | 3.5                | \$6.250747        | \$2,045,711.83 |
| Less Reserve per \$1090.71 (f)          |         | 32,727,478  |                    | .040747           |                |
| WEIGHTED AVERAGE PRICE - 3.5% TEST      |         | 32,727,478  |                    | \$6.21            |                |
| Less FMP from Unregulated Supply Plants |         |             |                    |                   |                |
| Allocated to Class I @ Wt. Av. Price    |         | 3,388       |                    | 6.21              | 210.39         |
| TOTAL PRODUCER MILK VALUE @ 3.5% TEST   |         | 32,724,090  | 3.5                |                   | \$2,045,501.44 |

BASE AND EXCESS PRICES

|                                       | Milk Pounds | Cwt. Price @ Test | Amount       |                |
|---------------------------------------|-------------|-------------------|--------------|----------------|
| TOTAL PRODUCER MILK VALUE @ 3.5% TEST | 32,724,090  |                   |              | \$2,045,501.44 |
| Excess Producer Milk Used in Class I  | -           |                   | -            |                |
| Excess Producer Milk Used in Class II | 2,326,018   | \$4.81            | \$111,881.47 |                |
| UNIFORM EXCESS PRICE - 3.5% TEST      | 2,326,018   | \$4.81            |              | \$ 111,881.47  |
| Total Value of Base Milk              | 30,398,072  | 6.360995          |              | 1,933,619.97   |
| Less Producer-Settlement Fund Reserve | 30,398,072  | .040995           |              | 12,461.69      |
| UNIFORM BASE PRICE - 3.5% TEST        | 30,398,072  | \$6.32            |              | \$1,921,158.28 |

MARCH 1971 MINIMUM PRODUCER PRICES CWT. F.O.B. CHATTANOOGA POOL PLANTS  
BUTTERFAT DIFFERENTIAL 8.2¢ PER POINT (EXCLUDES PREMIUMS)

| TEST-% | BASE   | EXCESS | TEST-% | BASE   | EXCESS | TEST-% | BASE   | EXCESS |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 3.0    | \$5.91 | \$4.40 | 4.0    | \$6.73 | \$5.22 | 5.0    | \$7.55 | \$6.04 |
| 3.05   | 5.951  | 4.441  | 4.05   | 6.771  | 5.261  | 5.05   | 7.591  | 6.081  |
| 3.1    | 5.992  | 4.482  | 4.1    | 6.812  | 5.302  | 5.1    | 7.632  | 6.122  |
| 3.15   | 6.033  | 4.523  | 4.15   | 6.853  | 5.343  | 5.15   | 7.673  | 6.163  |
| 3.2    | 6.074  | 4.564  | 4.2    | 6.894  | 5.384  | 5.2    | 7.714  | 6.204  |
| 3.25   | 6.115  | 4.605  | 4.25   | 6.935  | 5.425  | 5.25   | 7.755  | 6.245  |
| 3.3    | 6.156  | 4.646  | 4.3    | 6.976  | 5.466  | 5.3    | 7.796  | 6.286  |
| 3.35   | 6.197  | 4.687  | 4.35   | 7.017  | 5.507  | 5.35   | 7.837  | 6.327  |
| 3.4    | 6.238  | 4.728  | 4.4    | 7.058  | 5.548  | 5.4    | 7.878  | 6.368  |
| 3.45   | 6.279  | 4.769  | 4.45   | 7.099  | 5.589  | 5.45   | 7.919  | 6.409  |
| 3.5    | 6.32   | 4.81   | 4.5    | 7.14   | 5.63   | 5.5    | 7.96   | 6.45   |
| 3.55   | 6.361  | 4.851  | 4.55   | 7.181  | 5.671  | 5.55   | 8.001  | 6.491  |
| 3.6    | 6.402  | 4.892  | 4.6    | 7.222  | 5.712  | 5.6    | 8.042  | 6.532  |
| 3.65   | 6.443  | 4.933  | 4.65   | 7.263  | 5.753  | 5.65   | 8.083  | 6.573  |
| 3.7    | 6.484  | 4.974  | 4.7    | 7.304  | 5.794  | 5.7    | 8.124  | 6.614  |
| 3.75   | 6.525  | 5.015  | 4.75   | 7.345  | 5.835  | 5.75   | 8.165  | 6.655  |
| 3.8    | 6.566  | 5.056  | 4.8    | 7.386  | 5.876  | 5.8    | 8.206  | 6.696  |
| 3.85   | 6.607  | 5.097  | 4.85   | 7.427  | 5.917  | 5.85   | 8.247  | 6.737  |
| 3.9    | 6.648  | 5.138  | 4.9    | 7.468  | 5.958  | 5.9    | 8.288  | 6.778  |
| 3.95   | 6.689  | 5.179  | 4.95   | 7.509  | 5.999  | 5.95   | 8.329  | 6.819  |

## CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT TEST)

| Date     | PRODUCER UNIFORM PRICES <u>1/</u> |        |        |          | HANDLER CLASS PRICES <u>1/</u> |          |          |          |
|----------|-----------------------------------|--------|--------|----------|--------------------------------|----------|----------|----------|
|          | Per Hundredweight                 |        |        |          | Class I                        |          | Class II |          |
|          | Uniform                           | Base   | Excess | Bf. Dif. | Cwt.                           | Bf. Dif. | Cwt.     | Bf. Dif. |
| Mar. '70 | \$6.15 <u>2/</u>                  | \$6.30 | \$4.58 | 8.0¢     | \$6.78                         | 8.1¢     | \$4.58   | 7.8¢     |
| Apr.     | 6.09 <u>2/</u>                    | 6.29   | 4.60   | 8.2      | 6.73                           | 8.2      | 4.60     | 8.0      |
| May      | 5.99 <u>2/</u>                    | 6.16   | 4.58   | 8.2      | 6.75                           | 8.4      | 4.58     | 8.0      |
| June     | 6.06 <u>2/</u>                    | 6.20   | 4.61   | 8.2      | 6.73                           | 8.4      | 4.61     | 8.0      |
| July     | 6.14 <u>2/</u>                    | 6.31   | 4.60   | 8.2      | 6.76                           | 8.4      | 4.60     | 8.0      |
| Aug.     | 6.01                              | -      | -      | 8.2      | 6.75                           | 8.4      | 4.61     | 8.0      |
| Sept.    | 6.32                              | -      | -      | 8.4      | 6.76                           | 8.4      | 4.66     | 8.1      |
| Oct.     | 6.39                              | -      | -      | 8.4      | 6.81                           | 8.5      | 4.77     | 8.1      |
| Nov.     | 6.47                              | -      | -      | 8.2      | 6.92                           | 8.4      | 4.82     | 8.0      |
| Dec.     | 6.30                              | -      | -      | 8.2      | 6.97                           | 8.4      | 4.83     | 8.1      |
| Jan. '71 | 6.28                              | -      | -      | 8.2      | 6.98                           | 8.4      | 4.79     | 8.0      |
| Feb.     | 6.36                              | -      | -      | 8.2      | 6.94                           | 8.4      | 4.83     | 8.0      |
| Mar.     | 6.21 <u>2/</u>                    | 6.32   | 4.81   | 8.2      | 6.98                           | 8.4      | 4.81     | 8.0      |
| Apr.     | -                                 | -      | -      | -        | 6.96                           | 8.4      | -        | -        |

| Date     | PRICE QUOTATIONS |                  |                      |               | PRODUCER MILK USE |        |                 |        |
|----------|------------------|------------------|----------------------|---------------|-------------------|--------|-----------------|--------|
|          | Chi. 92° Butter  | Chi. Area Powder | Minn/Wisc. Mfg. Milk | Basic Formula | (Daily Average)   |        |                 |        |
|          | ¢ Lb.            | ¢ Lb.            | \$-Cwt-3.5%          | Minimum       | Class I Pounds    | Test-% | Class II Pounds | Test-% |
| Mar. '70 | 67.95            | 23.18            | \$4.58               | \$4.33        | 761,892           | 3.35   | 298,922         | 5.25   |
| Apr.     | 69.83            | 25.96            | 4.60                 | 4.33          | 784,446           | 3.34   | 332,976         | 4.84   |
| May      | 69.85            | 26.84            | 4.58                 | 4.33          | 708,369           | 3.29   | 365,773         | 4.53   |
| June     | 69.81            | 26.77            | 4.61                 | 4.33          | 690,927           | 3.26   | 324,444         | 4.67   |
| July     | 69.80            | 27.02            | 4.60                 | 4.33          | 715,318           | 3.27   | 284,243         | 4.65   |
| Aug.     | 69.80            | 26.85            | 4.61                 | 4.33          | 694,169           | 3.27   | 347,743         | 4.45   |
| Sept.    | 70.52            | 26.86            | 4.66                 | 4.33          | 881,429           | 3.25   | 209,852         | 5.48   |
| Oct.     | 70.12            | 26.85            | 4.77                 | 4.33          | 875,572           | 3.37   | 221,288         | 5.94   |
| Nov.     | 69.88            | 26.82            | 4.82                 | 4.33          | 848,594           | 3.41   | 226,279         | 6.46   |
| Dec.     | 70.40            | 26.90            | 4.83                 | 4.33          | 760,876           | 3.36   | 342,699         | 5.48   |
| Jan. '71 | 69.77            | 26.91            | 4.79                 | 4.33          | 775,537           | 3.32   | 326,520         | 5.91   |
| Feb.     | 69.78            | 27.12            | 4.83                 | 4.33          | 770,040           | 3.34   | 251,416         | 6.51   |
| Mar.     | 69.78            | 27.21            | 4.81                 | 4.33          | 708,198           | 3.27   | 347,418         | 5.33   |

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

| Date     | HANDLERS GROSS MILK <u>3/</u> |                |             | PRODUCER DATA |                |               |                | DELIVERIES PER  |       |      |
|----------|-------------------------------|----------------|-------------|---------------|----------------|---------------|----------------|-----------------|-------|------|
|          | No. Hdlers.                   | Total Receipts | Class I Use | No. Prod.     | Total Delivery | Base Delivery | Average Test-% | Farm --- Pounds |       |      |
|          |                               |                |             |               |                |               |                | Prod.           | Base  | Exc. |
| Mar. '70 | 21                            | 1,397,629      | 824,119     | 745           | 1,060,814      | 971,078       | 3.89           | 1,424           | 1,303 | 121  |
| Apr.     | 21                            | 1,407,342      | 843,811     | 743           | 1,117,422      | 988,522       | 3.79           | 1,504           | 1,330 | 174  |
| May      | 21                            | 1,258,907      | 768,561     | 741           | 1,074,142      | 965,184       | 3.71           | 1,450           | 1,303 | 147  |
| June     | 21                            | 1,153,003      | 752,470     | 739           | 1,015,371      | 924,399       | 3.71           | 1,374           | 1,251 | 123  |
| July     | 21                            | 1,124,146      | 775,421     | 744           | 999,561        | 903,625       | 3.66           | 1,343           | 1,215 | 128  |
| Aug.     | 21                            | 1,153,814      | 753,698     | 742           | 1,041,912      | -             | 3.66           | 1,404           | -     | -    |
| Sept.    | 20                            | 1,184,034      | 952,991     | 742           | 1,091,281      | -             | 3.68           | 1,471           | -     | -    |
| Oct.     | 20                            | 1,196,873      | 948,068     | 748           | 1,096,860      | -             | 3.89           | 1,466           | -     | -    |
| Nov.     | 20                            | 1,166,551      | 910,227     | 745           | 1,074,873      | -             | 4.06           | 1,443           | -     | -    |
| Dec.     | 19                            | 1,212,913      | 822,193     | 743           | 1,103,575      | -             | 4.02           | 1,485           | -     | -    |
| Jan. '71 | 19                            | 1,201,136      | 838,128     | 739           | 1,102,057      | -             | 4.09           | 1,491           | -     | -    |
| Feb.     | 19                            | 1,130,134      | 833,673     | 731           | 1,021,456      | -             | 4.12           | 1,397           | -     | -    |
| Mar.     | 19                            | 1,169,574      | 771,192     | 693           | 1,055,616      | 980,583       | 3.95           | 1,523           | 1,415 | 108  |

1/ Excludes Premiums3/ Other Source is Gross minus Producer2/ Weighted average Price

Class II is Receipts minus Class I